

cask or package or in bottles packed in cases or other containers, there shall be allowed, under regulations to be prescribed by the Commissioner, with the approval of the Secretary, a drawback equal in amount to the tax found to have been paid on such distilled spirits and wines: *Provided*, That such distilled spirits and wines have been packaged or bottled especially for export, under regulations prescribed by the Commissioner, with the approval of the Secretary. The Commissioner, with the approval of the Secretary, is authorized to prescribe regulations governing the determination and payment of drawback of internal-revenue tax on domestic distilled spirits and wines, including the requirement of such notices, bonds, bills of lading, and other evidence of payment of tax and exportation as shall be deemed necessary."

Approved July 14, 1947.

[CHAPTER 246]

AN ACT

July 14, 1947  
[H. R. 1945]  
[Public Law 186]

To amend sections 2801 (e) (4), 3043 (a), 3044 (b), and 3045 of the Internal Revenue Code.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the Internal Revenue Code be, and it is hereby, amended as follows:

53 Stat. 301.  
26 U. S. C. § 2801 (e)  
(4).

1. Section 2801 (e) (4) of the Internal Revenue Code is amended (a) by deleting from the second sentence thereof the words "having no interior communication with any other department or part of such premises", and (b) by adding immediately at the end thereof the following new sentence: "The provisions of this paragraph shall apply in the same manner and to the same extent to aperitif wines other than vermouth."

53 Stat. 354.  
26 U. S. C. § 3043 (a).

2. Section 3043 (a), Internal Revenue Code, is amended by deleting the colon in the second sentence thereof and inserting in lieu thereof the following: ", nor to apply to or prohibit the fermentation of grape wine retsina with resin on bonded winery premises:".

53 Stat. 355.  
26 U. S. C. § 3044 (b).

3. Section 3044 (b), Internal Revenue Code, is amended by deleting the words "and not more than 13 per centum of alcohol after complete fermentation," and inserting in lieu thereof the words "and not more than 13 per centum of alcohol after complete fermentation or, if sweetened, after complete fermentation and sweetening,".

53 Stat. 355.  
26 U. S. C. § 3045.

4. Section 3045, Internal Revenue Code, is amended by deleting the period at the end thereof and adding the following: " : *Provided*, That in the case of wines produced from loganberries, currants, or gooseberries, respectively, having a normal acidity of twenty parts or more per thousand, the volume of the resultant product may be increased more than 35 per centum but not more than 60 per centum by the addition of sugar and water solution under such regulations as the Commissioner of Internal Revenue may prescribe."

Approved July 14, 1947.

[CHAPTER 247]

AN ACT

July 14, 1947  
[H. R. 1946]  
[Public Law 187]

To amend section 2801 (e) of the Internal Revenue Code.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That subsection (e) of section 2801 of the Internal Revenue Code be, and it is hereby, amended by adding the following new numbered paragraph:

53 Stat. 301.  
26 U. S. C. § 2801 (e).  
*Supra*.

"(5) BLENDING OF BEVERAGE BRANDIES.—Fruit brandies distilled from the same kind of fruit at not more than one hundred and

seventy degrees proof may, for the sole purpose of perfecting such brandies according to commercial standards, be mixed or blended with each other, or with any such mixture or blend, by the distiller thereof in any internal revenue bonded warehouse operated by him exclusively for the storage of brandy or wine spirits, and the provisions of this section and of sections 2800 (a) (5) and 3254 (g) relating to rectification or other internal revenue laws of the United States shall not be held to apply to or prohibit such mixing or blending, and brandies so mixed or blended may be packaged, stored, transported, transferred in bond, withdrawn from bond tax-paid or tax-free, or be otherwise disposed of, in the same manner as such brandies not so mixed or blended: *Provided*, That, in addition to the tax imposed by this chapter on the production of distilled spirits, there shall be paid a tax of 30 cents as to each proof gallon (and a proportionate tax at a like rate on all fractional parts of such proof gallon) of brandy so mixed or blended (except when withdrawn tax-free and accounted for or when lost and allowance is made therefor), such tax to be paid by rectified spirits stamps affixed to the packages at the time of withdrawal. The Commissioner, under rules and regulations to be by him prescribed with the approval of the Secretary, upon the presentation of proof to his satisfaction of the loss by leakage, evaporation, theft, or otherwise of fruit brandies so blended or mixed, not occurring as the result of any negligence, connivance, collusion, or fraud on the part of the warehouseman or his agents, is hereby authorized to remit or refund the taxes assessed or paid upon such lost brandies: *Provided, however*, That such remission or refund shall be allowed only to the extent that the warehouseman is not indemnified or recompensed for such tax, and that losses of fruit brandies occurring prior to any such mixing or blending shall be allowable in accordance with section 2901. The term 'distiller' as used herein shall include any one or more distillers associated as members of any farm cooperative, or any one or more distillers affiliated within the meaning of section 17 (a) (5) of the Federal Alcohol Administration Act, as amended, or any fruit distiller for whose account, recorded with the district supervisor at the time of production, the brandy to be blended was produced. The Commissioner may, with the approval of the Secretary, make such rules or regulations as he may deem necessary to carry these provisions into effect."

Approved July 14, 1947.

#### [CHAPTER 248]

#### AN ACT

To extend certain powers of the President under title III of the Second War Powers Act and the Export Control Act, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this Act shall be cited as the "Second Decontrol Act of 1947".

#### FINDINGS OF FACT AND DECLARATION OF POLICY

SEC. 2. (a) Certain materials and facilities continue in short supply at home and abroad as a result of the war. The continued exercise of certain limited emergency powers is required to complete the orderly reconversion of the domestic economy from a wartime to a peacetime basis, to protect the health, safety, and welfare of the American people, and to support the foreign policy of the United States.

53 Stat. 298, 392.  
26 U. S. C. §§ 2800  
(a) (5), 3254 (g).

53 Stat. 340.  
26 U. S. C. § 2901.  
"Distiller."

49 Stat. 990.  
27 U. S. C. § 211 (a)  
(5).

Rules and regula-  
tions.

July 15, 1947  
[H. R. 3647]  
[Public Law 188]

Second Decontrol  
Act of 1947.  
Ante, p. 34.